

Message Text

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ACTION ARA-14

INFO OCT-01 ISO-00 CIAE-00 COME-00 EB-08 INR-10 LAB-04

NSAE-00 SIL-01 SSO-00 INRE-00 PA-01 ICAE-00 /039 W

-----125422 062028Z /66

O 061919Z SEP 78

FM AMEMBASSY LIMA

TO SECSTATE WASHDC IMMEDIATE 1714

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E.O. 11652: N/A

TAGS: PINT, PLAB, PE

SUBJECT: MINE AND PUBLIC EMPLOYEES STRIKES

REF: LIMA 7746

1. SUMMARY: MINE STRIKE HAS VIRTUALLY COLLAPSED, BUT PUBLIC SECTOR EMPLOYEES STRIKE IS EVIDENTLY QUITE EFFECTIVE. END SUMMARY.

2. NEARLY ALL MINERS HAVE RETURNED TO WORK. AS OF SEPTEMBER 5, CENTROMIN REPORTS THAT PRODUCTION IS NORMALIZING AT ALL PRINCIPAL MINING CENTERS, INCLUDING LARGE CERRO DE PASCO MINE, WITH OVER 90 PERCENT ATTENDANCE. WE HAVE RECEIVED A REPORT THAT EARLY MORNING SEPTEMBER 6, GOP REMOVED MINERS WHO STILL REMAINED ENCAMPED IN LIMA, LOADED THEM ON TRUCKS, TRANSFERRED THEM TO RAILROAD BOX CARS AND SHIPPED THEM BACK TO THE HIGHLANDS. SECURITY FORCES ALLEGEDLY USED TEAR GAS AND SOME FORCE, AND THERE IS AN UNCONFIRMED REPORT THAT SEVERAL MINERS WERE HURT, INCLUDING ONE SHOT AND SEVERAL THAT NEEDED MEDICAL ATTENTION.

3. SOUTHERN PERU'S TOQUEPALA AND CUAJONE MINES ARE BACK TO NORMAL WITH FULL MINER ATTENDANCE. STRIKE AT SOUTHERN'S REFINING INSTALLATIONS IN ILO HAS BEEN LIFTED BY VOTE OF THE WORKERS IN AN ASSEMBLY YESTERDAY AND PRODUCTION IS EXPECTED TO RETURN TO NORMAL TODAY. MINERS REMAIN ON STRIKE AT HIERRO PERU

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(EX-MARCONA), BUT SHIPMENTS OF STOCKPILES CONTINUE. CERRO VERDE WORKER ATTENDANCE IS NEARLY NORMAL.

4. THUS FAR THE STRIKE URGED BY THE INCIPIENT INTERSECTORAL COMMITTEE OF STATE EMPLOYEES (CITE) HAS BEEN QUITE EFFECTIVE IN MOBILIZING PUBLIC SECTOR EMPLOYEES. LARGE NUMBERS OF PUBLIC SECTOR EMPLOYEES AT MINISTRIES AND AT SOME PUBLIC AUTONOMOUS

ENTITIES (E.G., SOCIAL SECURITY) ARE ON STRIKE AND MARCHING OR DEMONSTRATING AROUND DOWNTOWN LIMA AS THIS IS WRITTEN. MANY STUDENTS HAVE JOINED THE DEMONSTRATIONS. SOME MINISTRIES HAVE VIRTUALLY CLOSED DOWN, WHILE A FEW (INTERIOR, FOREIGN RELATIONS AND DEFENSE MINISTRIES) ARE OPERATING NORMALLY. SECURITY FORCES HAVE BEEN DEPLOYED TO MANY PARTS OF THE CITY AND IN SOME CASES HAVE USED TEAR GAS TO BREAK UP DEMONSTRATIONS. WE HAVE RECEIVED REPORTS OF SOME ARRESTS, AND, BECAUSE OF THE LARGE NUMBER OF DEMONSTRATORS WE DO NOT DISCOUNT THE POSSIBILITY OF VIOLENCE. WE HAVE NO REPORTS OR EVIDENCE OF STRIKES BY PRIVATE SECTOR WORKERS AS URGED BY THE CGTP (REFTEL), AND THE CRUCIAL TRANSPORT SECTOR IS OPERATING NORMALLY. (IT APPEARS THAT ALTHOUGH LEADERS OF THE CGTP AND THE LEFTWING Factions OF THE CNT AND LIMA-CALLAO LOCAL OF THE CTRP SUPPORTED CALLS FOR A STRIKE AT THEIR RALLY ON SEPTEMBER 2, THERE IS NO EVIDENCE THAT THEY EARNESTLY ATTEMPTED TO ORGANIZE SUPPORT AMONG THEIR AFFILIATES.)

5. COMMENT: THE MINE STRIKE HAS PETERED OUT WITHOUT MAJOR CONCESSIONS THAT WE ARE AWARE OF, AND, AS A POLITICAL CONTEST, REPRESENTS SOMETHING OF A VICTORY OF THE GOP OVER THE EXTREME LEFT. THIS OUTCOME IS A RESULT OF TWO MAJOR FACTORS: A GENEROUS FINANCIAL OFFER BY THE MINING COMPANIES TO THE FIRED WORKERS, AND THE GOVERNMENT'S DECISION TO STAND FIRM AND THREATEN TO USE FORCE. THE FACT THAT NO SIGNIFICANT ECONOMIC SECTOR SUPPORTED THE MINERS ENCOURAGED GOP FIRMNESS AND PROBABLY DEMORALIZED THE STRIKERS. FINALLY, THERE WAS SOME DIVISION

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AMONG THE STRIKE LEADERS, ENCOURAGED BY THE GOP, APRA AND THE APRA-CONTROLLED PERUVIAN CONFEDERATION OF WORKERS.

6. HOWEVER, THIS CARROT-AND-STICK POLICY IS NOT EQUALLY APPLICABLE TO OTHER ECONOMIC SECTORS THAT ARE BEING SQUEEZED BY THE AUSTERITY PROGRAM AND ECONOMIC CRISIS. OTHER PRIVATE FIRMS AND THE GOVERNMENT CANNOT AFFORD TO OFFER LAID-OFF OR FIRED WORKERS A "GOLDEN HANDSHAKE" COMPARABLE TO THAT WHICH THE MINE COMPANIES WILL PAY. FOR EXAMPLE, THE GOP IS OFFERING WORKERS LAID OFF ON ACCOUNT OF THE AUSTERITY PROGRAM THE EQUIVALENT OF EIGHTS MONTHS PAY, PLUS CERTAIN OTHER BENEFITS. SOUTHERN PERU WILL PAY 48 MONTHS PLUS BENEFITS. BESIDES, ONLY 400 MINERS WERE AT ISSUE WHILE THE GOVERNMENT HAS PROPOSED TO LAY OFF 30,000 PEOPLE.

7. AS TO TODAY'S GENERAL STRIKE, THE CGTP'S APPARENT INACTIVITY IS NOT SURPRISING. IT WOULD HAVE BEEN DIFFICULT FOR ITS SECRETARY GENERAL, ISIDORO GAMARRA, PUBLICLY TO DISCOURAGE A STRIKE BEFORE A LARGE CROWD OF DEMONSTRATORS THAT WERE APPARENTLY CLAMORING FOR ONE. ON THE OTHER HAND, HE KNOWS THAT IT TAKES MUCH TIME AND EFFORT TO BUILD SUPPORT FOR AND ORGANIZE A SUCCESSFUL GENERAL STRIKE. THE LAST THING THE CGTP WANTS NOW IS A FAILURE.

8. THE APPARENT SUCCESS OF THE GOVERNMENT EMPLOYEES WALKOUT IS UNDOUBTEDLY DUE TO PERVERSIVE MALAISE IN THE PUBLIC SECTOR. THE GOP'S FAILURE TO CLARIFY WHO WILL BE AFFECTED BY CUTS (THE

FIRST ANNOUNCEMENT ON THIS SCORE CAME TODAY -- THERE WILL BE NO LAYOFFS IN THE MINISTRY OF EDUCATION) GENERATES CONCERN AMONG ALL. PUBLIC SECTOR STRIKES WILL PROBABLY INTENSIFY, REDOUNDING TO THE BENEFIT OF THE EXTREME LEFT (UDP, FOCEP) WHOSE SUPPORTERS ESTABLISHED CITE. END COMMENT.

DECTONTROL 9-6-79

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Message Attributes

Automatic Decaptoning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: MINING INDUSTRY, GOVERNMENT PERSONNEL, LABOR STRIKES
Control Number: n/a
Copy: SINGLE
Draft Date: 06 sep 1978
Decapton Date: 01 jan 1960
Decapton Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978LIMA07893
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780363-0596
Format: TEL
From: LIMA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780999/aaaaddtf.tel
Line Count: 127
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 1280fa56-c288-dd11-92da-001cc4696bcc
Office: ACTION ARA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 78 LIMA 7746
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 05 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1533673
Secure: OPEN
Status: NATIVE
Subject: MINE AND PUBLIC EMPLOYEES STRIKES
TAGS: PINT, ELAB, PE
To: STATE
Type: TE
vdkvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/1280fa56-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014